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Contact: Russ Levens, 202-226-4449

Democratic Rural Working Group: Budget Neglects Rural America

New Report Details Shortfalls in Rural Health Care, Jobs, Education, Veterans, Social Security
March 15, 2005, Washington, D.C. – As the U.S. House considers the budget this week, the Democratic Rural Working Group today released a new report outlining the ways in which the Republican budget neglects rural America. Rep. Stephanie Herseth, Co-Chair of the House Democratic Rural Working Group was joined by Reps. John Spratt, Ranking Member on the Budget Committee; Ike Skelton, Ranking Member on the Armed Services Committee; Collin Peterson, Ranking Member on the Agriculture Committee, and other members of the Rural Working Group to release the report.

Rep. Herseth said, “Far too often, rural America gets left out of the important policy debates in Washington – and it’s happening right now with the budget we’re considering this week. Rural America deserves a budget that recognizes its unique contributions and needs. In South Dakota, supporting agriculture means creating jobs. Fair treatment from the federal government on health care in rural America can mean the difference between life and death. And we don’t think it unreasonable to ask that kids in rural areas be given the same opportunities as their peers in the suburbs. When we look at how families and communities in rural America are treated in this budget we know that we can do better.”

“The House Republican budget resolution shares all of the flaws of the President’s budget: damaging spending cuts, continued large deficits, and spiraling debt,” stated Congressman Spratt (D-SC). “Because the budget resolution contains no details about which programs it assumes that Congress will cut, the President’s matching budget provides a guide for Republican priorities for 2006. The picture that emerges is clear: the Republican budget continues to take the country in the wrong direction.”

The report details the problems in the budget for rural communities, noting that the proposed budget:

Fails to Stand for Common Sense Spending

The Republican budget is fiscally irresponsible, creating trillions of dollars in new deficits. All told, the Republican budget creates more than \$4 trillion in new deficits over the next 10 years; imposing a debt tax on families that climbs to more than \$10,000 per family of four in 10 years just to pay the interest on the debt, while mortgaging the future of our children and grandchildren.

Fails to Live Up to the Promise of the Farm Bill

Agriculture funding takes one of the biggest hits, including a net cut of \$5.7 billion over 10 years

from farm programs through restrictions on marketing loans, a 5 percent reduction in farm program payments, assessments on sugar, and modifications to the dairy program.

Fails to Create Jobs for a Thriving Economy in Rural America

The President's budget consolidates and cuts funding for 17 different community and economic development programs that provide housing, employment counseling, water and sewer improvements, and small business loans. The Bush budget completely eliminates the \$1.3 billion vocational education program and cuts job training services by about \$280 million.

Shortchanges Building Roads, Airports, Information and Infrastructure

The budget cuts water and sewer assistance grants by \$77 million, and cuts \$52 million in funding for the Essential Air Service Program – a 50 percent cut. Broadband assistance is cut by more than 33 percent.

Fails to Strengthen Education Health Care and Housing for our Families and Communities

Even though rural areas face tremendous challenges in health care, the budget slashes rural health activities by \$114 million below this year's enacted level – or by 64 percent. The Bush budget includes a net cut in Medicaid of \$45 billion, which will result in a shift in costs to states and beneficiaries, a cut in payments to providers, and an increase in the number of the uninsured. The President's budget proposes to freeze funding for rural education, even though one-third of children attend public schools in towns or cities with less than 25,000 people. And this budget slashes funding for Section 515 multi-family housing the core affordable housing program by 73 percent, and cuts rural housing direct loans loan volume by \$141 million.

Makes Cuts in Defending America and Honoring Veterans

The Bush budget includes a net cut in first responder funding within the Department of Homeland Security of \$302 million, or 7 percent. This net cut is the result of slashing first responder formula-based grants by \$480 million, or 32 percent, and slashing the separate Firefighter Grant program by \$215 million, or 30 percent. The budget imposes a \$2 billion 'health care tax' on 2.2 million veterans through increased co-payments on prescription drugs and new enrollment fees, while providing \$3.5 billion less than veterans service organizations note is needed for veterans' health care.

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